

Conditions of Purchase

§ 1 General information, Application Scope

- (1.) Our Conditions of Purchase apply exclusively. We will not honor the supplier's deviating of conflicting conditions, unless we agreed to their validity exclusively in writing. Our Conditions of Purchase also apply, if we accept the supplier's deviating conditions or accept the supplier's delivery in full knowledge of the conflicting Conditions of Purchase unconditionally.
- (2.) The validity of our Conditions of Purchase also extends to all future transactions with the supplier.
- (3.) The group of personnel to which they apply is limited to the owner according to §§ 310 I, 14 I of the German Civil Code.

§ 2 Bid, contractual documents

- (1.) The supplier must accept the order within a period of 2 weeks by returning a legally signed duplicate of the order or an order confirmation.
- (2.) We retain all proprietary rights and copyrights of all documents provided to the supplier in conjunction with the order and its completion (drawings, plans, etc.); these documents may not be made accessible to third parties without our expressed written consent and must be exclusively used for the production based on our order. They must be returned to us without a request immediately after the conclusion of the order.

§ 3 Prices, payment terms, invoice

- (1.) The price shown in the invoice including the value added tax in the legal amount is binding. The price includes free delivery including the packaging and shipping insurance when lacking a written agreement. A commitment to return the packaging requires a separate agreement.
- (2.) We can only process invoices, packing slips, etc. if these contain the precise order number shown in our order and other assignment criteria; the supplier is responsible for any consequences resulting due to the disregard of this obligation (especially delays), unless he verifies that he is not responsible for these consequences.
- (3.) We will pay the purchase price within 10 days, calculated from a complete delivery and the receipt of an invoice containing a 3% discount or within 30 days net from this date, provide no deviating agreements have been made.
- (4.) We are entitled to compensation and retention rights in the legal extent.

§ 4 Delivery term, delivery date

- (1.) The delivery term/ and/or the delivery date listed in the order is binding.
- (2.) The supplier has the responsibility to inform us immediately in writing, if conditions occur or become recognizable, which indicate that the conditional delivery period or delivery date cannot be adhered to.
- (3.) We are entitled to legal claims in the event of a delivery delay. Accordingly, we have the specific right to request compensation instead of the service and withdrawal after the fruitless conclusion of a proper period. If we are requesting compensation, the supplier has the right to verify that the contractual violation was not his responsibility.

§ 5 Transfer of risk, supplier's retention of title

- (1.) The delivery must be provided free of charge, provided no other agreement has been made in writing.
- (2.) The supplier's retention of title that exceeds a simple retention of title will not be accepted by us.

§ 6 Defect examination, complaint obligation, defect liability

- (1.) We will check the delivered goods within a suitable period for any quality and quantity deviations; a complaint of apparent defects is in time, provided it is received by the supplier within a period of 4 business days, calculated from the receipt of the goods or from the time of discovery in case of hidden defects.
- (2.) We are entitled to the full extent of legal defect claims; in any case, we have the right to request the supplier of our choice to eliminate the defects of deliver a new defect-free item.
The right to damage compensation, especially that of damage replacement instead of the service remains exclusively reserved.
- (3.) We have the right to perform the defect elimination ourselves or have these performed third parties at the supplier's expense, if a risk of a delay exists or if special urgency is required.
- (4.) The statute of limitations is 36 months, calculated from the risk transfer.

§ 7 Product liability, indemnification, insurance coverage

- (1.) If we are not sued by a third party for the compensation of damages, for which the supplier is responsible, due to product defects, the supplier must exempt us from all third party claims including the costs necessary to defend these claims, if the supplier has determined the cause to be attributable to his sphere of control and organizational area.
- (2.) Within the scope of any liability for damages in the meaning of section (1.), the supplier is also responsible to reimburse any expenditures according to §§ 683, 670 of the German Civil code or according to §§ 830, 840, 426 of the German Civil code that result from or in conjunction with a recall action conducted by us. We will inform the supplier – of the content and extent of the recall actions as much as possible and reasonable – and provide him with the opportunity of a statement. Other and further legal entitlements remain unaffected.
- (3.) The supplier is obligated to sign a product liability insurance coverage with a flat-rate coverage amount of €10 million for each personal injury/property damage and to retain this throughout the duration of this contract until the respective expiration of the defect liability; additional legal claims, which we are entitled to, remain unaffected.

§ 8 Intellectual property rights, indemnification

- (1.) The supplier guarantees that no rights of a third party are violated within the Federal Republic of Germany in conjunction with his delivery.
- (2.) If we are sued by a third party, because the delivery by the supplier violates a legal intellectual property right of a third party, the supplier has the responsibility to exempt us from these claims at the first written request (including all related necessary expenditures); we do not have the right to enter into any agreements with the third party – without the supplier's consent –, specifically complete a comparison or acknowledge the claims.
- (3.) The statute of limitations for these claims is 3 years, calculated from the knowledge of the use by the third party, however, no later than 10 years, calculated from the time of signing the contract.

§ 9 Retention of title, provision, tools, confidentiality

- (1.) If we provide the supplier with tools, parts or documents, we reserve our right to ownership for these. Any processing or reshaping by the supplier will be performed for us.
- (2.) The supplier is responsible to keep all images, drawings and other documents and information strictly confidential. They may only be made accessible or disclosed to third parties with our exclusive agreement. The confidentiality obligation also applies after the conclusion of this contract; it only expires when and if manufacturing knowledge contained in these images, drawings and other documents has become general knowledge.

§ 10 Venue, fulfillment location, agreement on the applicable law, written format

- (1.) If the supplier is a businessman, our headquarters will be agreed as venue; however, we have the right to sue the supplier also in the court responsible for his headquarters.
- (1.) Our headquarters are also the fulfillment location, in case of the absence of a deviating agreement.
- (3.) German law with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) as well as the international procedural law are decisive for any disputes from or based on these Conditions of Purchase or from the relevant delivery contracts, provided no deviations have been agreed in individual cases.
- (4.) Any agreements made between us and the supplier in conjunction with the completion of the delivery contracts must be documented in writing in these contracts.

§ 11 Additional obligations of supplier

- (1.) Concerning the contract fulfillment of an order, the supplier is obligated to comply with all relevant legal provisions and regulations in terms of accident control and industrial & environmental safety. Without prejudice to other obligations, the supplier must adhere to the company policy, which can be accessed at www.waldmann.com under "company" and upon request, is transmitted free of charge.
- (2.) With the fulfillment of the contract, the supplier must adhere to the environmental policy upon entering the factory premises.